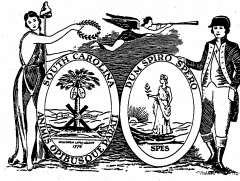


STATE OF SOUTH CAROLINA  
*State Budget and Control Board*  
OFFICE OF HUMAN RESOURCES

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DIRECTOR

## MEMORANDUM

**TO:** Agency Heads and Human Resources Directors of All Agencies, Departments, Institutions, and Commissions

**FROM:** Samuel L. Wilkins  
Director

**DATE:** July 6, 2007

**SUBJECT:** 2007 Legislative Update

The following is a summary of human resources related legislation enacted by the United States Congress and by the South Carolina General Assembly during the 2007 legislative session. Please consult the full text of the legislation for complete details by referring to the General Assembly web site at <http://www.scstatehouse.net/> or the Office of Human Resources web site at <http://ohrweb.ohr.state.sc.us/OHR/employer/OHR-state-laws.phtm>.

### **Federal Minimum Wage Increase**

President Bush signed legislation which increases the federal minimum wage from \$5.15 to **\$5.85** on July 24, 2007, then to **\$6.55** on July 24, 2008, then to **\$7.25** on July 24, 2009.

The minimum of pay band one will increase effective July 24, 2007 to accommodate the new minimum wage.

### **The following bills have been ratified and signed by the Governor:**

#### **State Agency Office Hours (R130, H3358)**

This legislation repeals Section 8-11-10 which states that "the departments of the state government except where seven day per week services are maintained, shall remain open from nine A.M. until five P.M. from Monday through Friday, both inclusive, except on holidays fixed by law. On Saturdays such departments may close at one P.M. Skeleton forces may be maintained on Saturday and so staggered that each employee shall work not less than one Saturday out of each month; provided, that the offices of the Department of Motor Vehicles shall remain open from eight-thirty A.M. until five P.M. from Monday through Friday, both inclusive,

except on holidays fixed by law and these offices need not be kept open on Saturdays, except as may be necessary to carry on essential work.”

The State Human Resources Regulations nevertheless require state agencies to maintain core business hours. State Human Resources Regulation 19-707.01 (A) states that “no agency shall have less than a 37.5-hour workweek and that generally, the core hours that an agency shall remain open for business are 8:30 a.m. to 5:00 p.m., Monday through Friday.”

The Act also repeals 11-5-30 regarding the office hours for the State Treasurer.

### **Unemployment Compensation for Spouses of Military Transfers (R88, S334)**

This legislation makes individuals eligible for waiting week credit and for unemployment compensation if the commission finds that the individual has left work voluntarily to relocate because of the transfer of a spouse who has been reassigned from one military assignment to another, provided that the separation from employment occurs within fifteen days of the scheduled relocation date. Unemployment Compensation benefits must not be charged to the account of a contributing employer.

### **Workers Compensation Reform (R163, S332)**

This legislation signed by the Governor on June 25, 2007 makes the following changes to the state’s workers compensation system:

- Devolves the Second Injury Fund effective July 1, 2013
- Narrows of the definition of "injuries" available for compensation
- Clarifies the level of medical evidence required to establish a claim
- Changes the appeals process for workers compensation cases from the circuit court to the Court of Appeals
- Expands and strengthens the laws and penalties for fraudulent conduct.

### **South Carolina Critical Needs Nursing Initiative Act (A49, R64, S657)**

This Act establishes the Critical Needs Nursing Initiative Fund within the Commission on Higher Education in order to improve the number of qualified nurses in this state by providing

- Nursing faculty salary enhancements
- Creating new faculty positions
- Providing for additional nursing student scholarships, loans, and grants
- Establishing the Office For Health Care Workforce Research to analyze health care workforce supply and demand
- Providing for the use of simulation technology and equipment in the education of nurses

**The following proviso in the Annual Appropriations Act (R175, H3620) is new for Fiscal Year 2007-2008:**

### **63.49. (BCB: Forest Firefighters Salary Review)**

The Budget and Control Board Office of Human Resources is directed to conduct a review of wild land firefighter personnel salaries at the South Carolina Forestry Commission as compared to other Southeastern states. The agency is directed to cooperate with the Budget and Control Board in completion of this study. This study shall include a comparison of salary ranges, average salaries within salary ranges, average salary within each salary range in reference to time in each salary range, and required training for each salary range. Results of this review shall be

reported to the Chairmen of the Senate Finance Committee and the House Ways and Means Committee by December 31, 2007.

**The following provisos included in the 2006-2007 Annual Appropriations Act have been deleted for Fiscal Year 2007-2008:**

**72.49. (GP: Voluntary Furlough)**

This proviso, which allowed state agencies to institute a voluntary employee furlough program of not more than ninety days per fiscal year as a cost savings measure, was removed from the annual appropriations act for FY 2007-2008.

**72.61. (GP: Personnel Administration Exemption)**

This proviso included in the 2006-2007 Annual Appropriations Act exempted all employees in constitutional offices who report directly to the agency head or reported directly to a person who reported to the agency head. In addition, management employees within cabinet agencies having a similar reporting structure as the constitutional offices were also exempt from the Grievance Act.

The deletion of the proviso from the Annual Appropriations Act means that the employees previously affected by the proviso will be required to serve a 12-month probationary period unless the agency head counts up to six months of prior state service toward the completion of a probationary period.

Some employees who were exempted by the previous proviso may also be exempted by other language in the Grievance Act. Those employees will not be affected by the deletion of the proviso and would still be considered exempt from the provisions of the Grievance Act.

**The following provisos under the Annual Appropriations Act (R175, H3620) are amended for Fiscal Year 2007-2008:**

**63.54 (Employee Compensation)**

Classified and non-judge judicial classified employees will receive a 3% compensation increase effective on the first pay date that occurs on or after July 1 of the current fiscal year. Funding was also provided for an average 3% increase for unclassified employees, employees under the unclassified executive compensation system, and agency heads not covered by the Agency Head Salary Commission. *The Budget and Control Board has approved a 0-6% range for increase for executive compensation and non-academic unclassified employees. Academic faculty employees may receive increases from 0% to 6% or up to an annual salary of \$79,000, whichever is greater, effective on the first pay date which occurs on or after July 1, 2007.*

Agency heads covered by the Agency Head Salary Commission, upon approval of the Budget and Control Board, may receive salary increases to be effective on the first pay date that occurs on or after January 1 of the current fiscal year. No agency head shall be paid less than the minimum of the pay range nor receive a salary increase that would have the effect of raising the salary above the maximum of the pay range.

**The following provisos under the Annual Appropriations Act (R175, H3620) have not been changed for Fiscal Year 2007-2008:**

|       |   |
|-------|---|
| 63.10 | Compensation-Reporting of Supplemental Salaries                   |
| 63.11 | Mid-Year Budget Reductions & Restricting the Rate of Expenditures |
| 63.12 | Compensation Increase – Appropriated Funds Ratio                  |
| 63.13 | Vacant Positions  |
| 63.14 | Higher Education Salary Limit Exemption                           |
| 63.19 | Mandatory Furlough  |
| 63.26 | Adoption Assistance Program                                       |
| 63.28 | Military Service  |
| 63.30 | Military Service Leave  |
| 72.15 | Discrimination Policy   |
| 72.16 | Residency Preference  |
| 72.17 | Personal Service Reconciliation, FTEs                             |
| 72.18 | Allowance for Residences & Compensation Restrictions              |
| 72.20 | Universities & Colleges – Allowance for Presidents                |
| 72.23 | Per Diem  |
| 72.25 | Travel – Subsistence Expenses & Mileage                           |
| 72.44 | Voluntary Separation Incentive Program                            |
| 72.49 | Forego Salary Increase  |
| 72.52 | Across-the-Board Reductions                                       |
| 72.59 | Best Management Practices   |
| 72.67 | Constitutional Officer Furlough                                   |
| 72.72 | Organizational Charts   |
| 72.84 | Employee Bonuses  |

If you have any questions or need additional information regarding any of these provisos or statutes, please contact your Human Resources Consultant at 803-737-0900.

SLW